1. Section 10 of the Act does not provide for determination of the status of the workmen of the erstwhile contractor once a notification prohibiting employment of contract labour is issued under that Section by the appropriate Government.

2. In the event of abolition of contract the workmen are in a worse situation since they can neither be employed by the contractor nor is there any obligation on the principal employer to engage them in his establishment.

3. Although the object of the legislation is benevolent, it has not provided any relief for the concerned workmen after the contract is abolished.

4. The rationale of the legislation in not providing for automatic absorption of the existing contract labour in the principal establishment on abolition of contract labour is not clear.

5. The industrial adjudicator, however, may not be inhibited by such lacunae or omissions in law.

6. The industrial adjudicator has the jurisdiction to change the contractual relationship and made new contracts between the employer and the employees under the Industrial Dispute Act, 1947.

7. In all cases where contract labour is abolished the industrial adjudicator, depending upon the facts of the case, will be the authority to direct the principal employer to absorb such of the workmen of the erstwhile contractor and on such terms he may determine on the basis of the relevant material before him.

The Supreme Court of India inter-alia also recommended that:-

(a) all undertakings which are employing the contract labour system in any process, operation or work which satisfies the factors mentioned in clauses (a) to (d) of Section 10 (2) of the Act, should on their own, discontinue the contract labour and absorb as many of the labour as is feasible as their direct employees;

(b) both the Central and the State Governments should appoint Committees to investigate the establishments in which the contract labour is engaged and where on the basis of the criteria laid down in clauses (a) to (d) of Section 10 (2) of the Act, the contract labour system can be abolished and direct employment can be given to the contract labour. The appropriate Government on its own should take initiative to abolish the labour contracts in the establishments concerned by following the procedure laid down under the Act.

(c) the Central Government should amend the Act by incorporating a suitable provision to refer to the industrial adjudicator the question of the direct employment of the workers of the ex-contractor in the principal establishment, when the appropriate Government abolishes the contract labour.

(c) and (d) The Labour Bureau, under the Ministry of Labour, from time to time conducts surveys on contract labour in different areas of work. So far 39 such surveys have been conducted, 38 of which have been published in the form of reports. These surveys which began in 1956-57 with one on Contract Labour in Iron Ore Mines. These surveys inter-alia cover the following aspect affecting Contract Labour:-

1. Hours of Work.
2. Rest Intervals.
3. Night Shifts Working.
4. Leave and Holidays with Pay.
5. Housing Accommodation.
6. Compensation for Accident.
7. Maternity Benefits.
8. Provident Fund.
9. Gratuity and Pension Scheme.
10. Trade Unionism and Grievance Handling Machinery.
11. Conservancy.
12. Washing Facility.
13. First Aid Box.

These survey reports are informative and useful for Government in policy making and legislation in the area of contract labour.

Price of Petroleum Products

*554. SHRIMATI LAKSHMI PANABAKA :

SHRI SURESH PRABHU :

Will the PRIME MINISTER be pleased to state:

(a) whether the Government propose to increase the price of petrol and petroleum products;

(b) if so, by when and the situation leading to the revision of price;

(c) whether the Government have studied the adverse impact of the increase in petroleum prices on the economy; and

(d) if so, the steps taken to avoid the frequent increase in the petroleum prices ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (d) The prices of petroleum products are administered by the Government through the Oil Pool Account mechanism. The oil pool accounts are supposed to be self balancing. It was estimated that the cumulative outstandings of the oil companies would be Rs. 5700 crores by 31.3.96. However, the pool account got adversely affected in Oct. 96 due to steep increase in the prices of the crude oil

and petroleum products in the international market, Rupee-Dollar exchange rate variation, increase in the Rail freight and changes in the Customs and Excise duty announced in the Finance Bill for 1996-97. The cumulative outstandings of the oil companies from pool account are estimated to be Rs. 15,500 crores as on 31.3.97 and projected to be Rs. 24,500 crores by 31.3.98 if remedial measures are not taken.

The mounting outstanding have resulted in oil companies experiencing severe cash crunch necessitating them to resort to huge borrowings which are estimated to be Rs. 23,000 crores by 31.3.97.

The position of the oil pool account is being monitored on a continuous basis and Government is exploring various options to contain the deficit in the oil pool account.

Petroleum Products

*555. SHRI MULLAPPALLY RAMACHANDRAN:

SHRIMATI VASUNDHARA RAJE:

Will the PRIME MINISTER be pleased to state:

(a) whether the Oil and Natural Gas Corporation and Oil India Limited propose to launch a major programme to step up deep water exploration to discover new hydrocarbons reserves to off-set the adverse impact on oil production due to declining production from existing oil and gas fields;

(b) if so, whether a two day International Conference on deep water exploration technology was held in March, 1997;

(c) the main recommendation made at the conference;

(d) whether any areas have been identified;

(e) if so, the time by which the work is likely to be undertaken in these areas;

(f) the initial total expenditure likely to be involved on these projects;

(g) the areas likely to be covered during 1997; and

(h) the number of foreign and Indian companies likely to be involved in this task ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) Yes, Sir. ONGC has taken up a programme for deep-water exploration.

(b) Yes, Sir.

(c) The Conference took stock of the various technological options now available for substantially reducing the cost of deep water exploration.

(d), (e) and (g) Two locations in the Kerala-Konkan offshore and one location each in Cauvery and Krishna-Godavari offshore have been identified. Drilling is likely to commence in Kerala-Konkan offshore in December, 1997.

(f) The estimated expenditure in 1997-98 in drilling and upgradation of the drillship is Rs. 82 Crs.

(h) ONGC may hire the services of internationally reputed deep-water drilling companies.

Shortfall in Revenue Collection

*556 SHRI SOMJIBHAI DAMOR: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there is shortfall in the revenue collection in respect of Excise & Customs during last year;

(b) whether it is also a fact that there is an increase in the smuggling activities;

(c) whether malpractices in transfer/postings of senior/top level officers in the Excise & Customs are mainly responsible for this State of affairs;

(d) whether performance-based posting policy will be enforced to reduce favouritism; and

(e) if so, details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) So far as revenue collection is concerned, according to provisional figures both Central Excise Revenue and Customs Revenue collected during 1996-97 have been higher than that in 1995-96. However, there is some shortfall in respect of Customs duties in comparison to the ravised Budget Estimates that was fixed for 1996-97.

(b) There is no report to suggest that there is any increase in smuggling activities.

(c) to (e) The postings/transfers of senior/top level officers in the Department both in Excise and Customs side are made having due regard to the prescribed policy guidelines for postings/transfers of officers at various levels and after taking into account the administrative exigencies as well as suitability of officers for certain specific assignments.

Target Group of RRBs

*557. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether the Regional Rural Banks, were set up primarily to cater the target groups in rural areas;

(b) whether the Government have now diverted from its original stand and has directed the Regional Rural Banks to finance 60 percent of their total landing to non-target groups; and

(c) if so, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI P. CHAIDAMBARAM) : (a) to (c) Regional Rural Banks (RRBs) were set up with the following broad objectives :-